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to grasp a "general situation" are of particular interest and value.

The chief difficulty in evaluating the book arises from the fact that it is not addressed to any particular body of readers. Psychologists will find in it little that is new; economists, little that is as yet significant; the practical industrial worker, little of immediate applicability; and it is doubtful whether the general reader will be convinced by the book that psychology has yet made any real contribution to the problems treated therein. Nevertheless the book is from several points of view distinctly satisfactory. Chief among the satisfactory features are the frequent promises that the actual data of the experimental researches are soon to be published, the conservative hopefulness of Professor Münsterberg's attitude toward the general topic, and his admirable ingenuity in conceiving problems, devising illustrative tests, and arousing popular interest in the general field.

The chief objection to books of this type lies in the danger of arousing hopes which must, from the nature of the problems raised, be long deferred. There is already a widespread general interest in the applications of psychology to industry. What is most needed now is not so much a stimulus to further hope, as concrete, intensive, and successful contributions which will serve to justify and sustain the hopes already aroused until the laborious tasks which industrial psychology sets itself have developed beyond the problematic stage.

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*Accounting Principles.* By SAMUEL F. RACINE. (Seattle: The Western Institute of Accountancy, Commerce, and Finance. 1913. Pp. xv, 280. \$3.00.)

The author's purpose in this work is to provide a complete and reliable treatise on the principles of accounting, which will "bridge the distance between bookkeeping and advanced accounting." A vast amount of material has been packed into these pages, and the whole field has been surveyed without omission of any important topic. After the initial consideration of the systems of single and double entry bookkeeping and the nature and forms of accounts, a more detailed discussion is given of the various kinds of accounts and the ways in which records in specific accounts may be most advantageously made. Then follow chap-

ters upon the more difficult subjects with which the accountant has to deal, such as capital and revenue, investments, capital assets, depreciation, good-will, subsidiary and collective accounts, reserves and reserve investments; and, subsequently, the trial balance, profit and loss and balance sheet statements claim attention. At the close of each chapter there is appended a variety of questions, taken chiefly from the C.P.A. examination papers of various states. This book will tend to give the aspirant an accurate conception of the breadth of the field of accountancy; and some of its chapters, such as those on depreciation (ch. 13), capital assets (ch. 12), and good-will (ch. 14), are well done. However, for one whose knowledge of accounts is meager it would cause much confusion; and for one who is conversant therewith it contributes little that is new.

It is regrettable that the statement of abstract principles, especially when these are not, or cannot be, stated clearly, should be left without exemplification (*e.g.*, in chs. 11 and 18 on investments and reserve investments). Certain parts of the text are almost incomprehensible; *e.g.*, "Fixed liabilities represent that portion of the capital income of an organization which is a liability of the concern as distinguished from the investment in the organization" (p. 85). Such statements, left without concrete illustration, are common (*e.g.*, pp. 95-96, on "Investments in securities in general"). There are occasional inaccuracies as to fact; for example, it is not true that the "balance sheet . . . does not contain, except probably as a footnote, any items that do not appear in the books" (p. 9). Such elements as wages, interest, taxes, etc., accrued due but unpaid, unexpired insurance, taxes, etc., paid in advance, and inventories of various kinds, are entered as integral parts of the balance sheet and not merely as footnotes. Some undesirable practices are recommended; for example, ruling the ledger to facilitate reference between debits and credits, by putting the money columns close together at the center of the page (p. 26). Arranging the ledger so as to have a money column to the right of each of those regularly in use, in order to show total debits and credits (p. 27), might lead to confusion; and, besides, the purpose intended to be served by these extra columns may be effected more simply by other means. To take the inventory on the basis of market price for use in the balance sheet, and on the basis of cost price for use in the trading account, and then to adjust the difference in the two values by

the aid of a reserve account (p. 71), would be to add a complexity which scarcely seems justifiable. Neither does it make for clearness to use "reserve account" and "reserve fund" as two distinct accounts, with almost the same name, to represent two entirely different kinds of provision for financial contingencies (pp. 172-173). Errors in the use of words or phrases are not uncommon: "only showing" (p. 3) should be "showing only"; "inversely" (p. 94) should be "conversely"; "direct" and "effecting" (p. 177) should be "directly" and "affecting." The sentence beginning, "It is also possible" (p. 101) is incomplete. Such phrases as "the day of its final *discard*" (p. 116), the "*effluxion* of time" (pp. 86, 114, 128, 166), etc., should have been altered.

The purpose for which this work was written is more admirably served by other works, such as those of Greendlinger, Hatfield, Hyans, and Cole.

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*Die Finanzierung nordamerikanischer Eisenbahngesellschaften.*

By ERNST PICARD. (Jena: Verlag von Gustav Fischer. 1912. Pp. 196. 6 m.)

The aim of this book is to present for the consideration of German investors and governmental authorities a descriptive statement of the history and methods of American railroad finance. The subject was suggested to the author by the attitude of the German government, which is hostile to the investment of capital in foreign undertakings upon the ground that it tends to weaken the market for the securities of the government and also of domestic enterprises. The study was based upon a bibliography of something less than a hundred titles, representing the books of European writers, United States documents, and such books of American writers as were available. There are practically no specific references to sources.

In the introductory chapter is presented the significance of American railroad securities to the stock markets of Europe and America, with a brief statement of the distribution of such securities. To the American reader this chapter will be the one of most interest. Unfortunately it is too brief and too general in its discussion of European holdings; but since the book is not addressed to American readers, this cannot be counted a defect. Detailed attention is given to the legal status of railroad cor-